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Lisa Balter
TOWN CLERK

**EAST HAVEN BOARD OF FINANCE
SPECIAL MEETING MINUTES
MAY 18, 2022**

The East Haven Board of Finance held a Special Meeting on Wednesday, May 18, 2022, at 7:00 P.M. in the Senior Center in order to transact the Following:

1. Roll Call

Mayor Joseph Carfora, Beth Purcell, Rich Esposito, Ralph Vitale (via phone), Al Purzycki and Chris Perdo were present. Jim Keeley, Finance Director was also present. Attorney Michael Luzzi was also in attendance.

Al made a motion to move line 6 to 2a. Beth seconds. All in favor

2. Read and Approve Special Meeting Minutes from March 16, 2022.

Mayor Carfora made a motion to approve the minutes, Al asked that we skip this item. All in favor.

2a Al made a motion to appoint Rich Esposito as vice chair. Chris seconds. All in favor Mayor abstains.

3. Old Business

Al asked Jim how we're going to end the year with revenue and expenses. Jim stated we did some preliminary reports and everything looks good. A little too early to throw numbers out there but everything looks good. Beth asked about the covid spending. Jim stated that he wasn't sure that other towns have what we have. When we had the funds they had to be expended by December 31. We still have a garage full of supplies. Under their guidance we were allowed anything that wasn't budgeted, that was covid related, to charge things there. Especially with so many things coming down from the state there were many consultations and he had outside help. Jim stated some of the other towns, the bigger towns, have professional staff. State has such a such a low response to the preliminary numbers then they decided to disperse the rest of the monies. Jim stated he put in for everything. Ralph asked about the credentials of the people that we hired and consulted with for this Covid money. Jim stated the Arpa funds were handled by an international firm, highly reputable firm. There is this pool of money that they are destined to spend and when people are fighting back, they've been opening other areas to utilize the money. So, what we are trying to do is, we can't put it in a fund balance, so we are utilizing the projects that we think we would've gone out for capital projects later on

that we would've had a bond for, so those future bonds won't exist. Ralph asked how they got paid. Jim stated they get paid an hourly rate not to exceed I believe the contract is for \$180,000. I believe they charged us around \$30,000. When we first started the regulations were a lot stricter. They have really loosened them up now. We don't have to utilize them as much as we previously thought but they are an asset, and we think it's better that they look at everything. Ralph asked what line item would that be coming out of. Jim stated it's coming directly from the ARPA money.

Attorney Luzzi stated that one of the things that we did initially when Covid hit we had asked for an initial transfer of funds. We don't have on staff attorneys; we have assistants getting a stipend. There was a consistent discussion with our unions on how we're going to handle everything with Covid. If I worked on something that was Covid related Jim wanted to know what that was, and to his credit we wanted to get reimbursement for those funds.

Attorney Luzzi further stated with respect to Ralph's question BDO is an international consulting firm. We wanted the protection of how to spend that money. They deal with government regulations. We did not want to have ideas and plans to use the money and not be allowable under the rules. There will most likely be an audit and we are going to be able to hand over the number of projects that we have done, the reason why they fit what regulation they fit under and why.

Jim stated we were getting \$8.4 million, but if you don't spend it correctly and we have to down the line, give back \$3 million I'd rather of not had the 8.4 million.

It's really a slippery slope because if you don't spend it, you lose it per Atty. Luzzi.

Mayor stated that he spoke to other towns, and the projects that the Mayor wanted to do got rejected under our consultants but the other towns are doing them without consultants. We would rather just have the protection.

Ralph asked where we are with the ice rink project. Mayor stated that we get updates every day on it and we're moving forward. There are going to be some material issues, but the mayor is putting the pressure on them and hopefully have that October completion date.

Ralph asked about the skate park. Attorney Luzzi stated that there is no claw back. We wanted to find out what the value of it was so if there was a value to sell it and we could reapply it back into the Locip Funds. There is a recreational use immunity statute in CT and that the problem is there were things that were going outside recreational use and that we are creating a potential liability and legal exposure.

4. New Business

Al asked if we were getting a check for education grants for 9 million. Jim stated yes.

Al asked Charlie about bid openings for ? Charlie stated on Monday they were going to have bids.

Jim stated that we put the Audit out to bid again. We only have two bidders our current firm and another firm. Jim welcomes any conversation after he gets responses to his questions. The old firm is about \$7,000.00 more than new firm

5 Public Comment

None

6. Appoint Richard Esposito as Board of Finance Vice Chairman

Moved to 2a

7. Information Technology staff to be placed, with Union approval, into the Supervisor's Union with referral to Town Council

Beth made a motion to discuss and refer it to the Town Council. Al seconds

Michelle stated that they are creating a new department. We have made a tremendous effort in updating our technology from when we first came in. In the evaluation of our IT infrastructure at Townhall, we were very susceptible to cyber security risks. We are working with the state to make sure emails, and everything is properly backed up for FOIA requests.

I feel this department will be growing because I think the needs are going to be growing. Beth asked if this was just for the town or the Board of Ed. Michele said it was just for the Town. This was the first job that was created which was new that never had a union position in the past. We need to go down the right path and I will hopefully start interviewing after we meet with the Town Council. We do have consultants for IT. This individual will really be the conduit with those companies, problem solve Day to day, meeting with Comcast etc. So, from what we gathered we did a little research and worked closely with the union we came to this salary. It is in line with other department heads.

Chris asked when the Town budget went to the Town Council there was a portion taken from it. Michele said there is still money in it. Jim stated that when we took the money out from the general fund budget all we did was decide that we can take more money from Arpa. Some of the projects that we had, had come in a little bit under budget surprisingly so we have more money available.
Roll call, all in favor.

8. Public Works

To: 01-224-0565 Motor Oil \$4,000.00

From: 01-226-0694 Other Contractual Services \$4,000.00

Beth made a motion to discuss. Al seconds.

Charlie stated we don't have a crystal ball and things are changing weekly not monthly. Jim Keeley stated this is obviously needed. Roll call, all in favor.

9. Legal: Referral to the Town Council

To: 01-113-0668 Legal and Lawyer fees \$175,000.00

From: 01-885-0689 Contingency \$175,000.00

Al made motion to discuss and Beth seconds. Al made motion to refer to Town Council, Beth Seconds.

The driver at this point is the quarry. The magistrate sees an opportunity to resolve this case. Attorney Luzzi is cautiously optimistic. The driver of the costs here are April we have had 4 mediation sessions. About 8 hours each. There is a financial component, non-voluntary components, and land use attorney is involved, Hugh Keefe's office as well. For every hearing we have we have like six or seven lawyers there. It costs \$10,000 a day. We have a pre hearing discussion and then the hearing. Atty Luzzi anticipates 2 for May. We think we will have 4 more in June. We will get bills for those as well. We are dealing with the insurance companies.

Chris asked about the outcome if this was going to determine their portion of it. The judge is former defense attorney in the insurance industry so he's pushing very hard to try and create a global ??? That would include a contribution from the insurance company. As of right now, they clearly would like a global resolution. It would be in the covered amount. We have aggressively attacked their damage numbers.

Al asked if the 175k would cover thru June. Atty Luzzi said yes. Covered other things but that is the main driver. We have also the five police lawsuits and there's another person involved so they were an ancillary car and the injuries are significant there. Three additional police officers as well but we have to defend them and we will use Hugh Keefe for part of it and we may have to get other attorneys. I have an additional seven slip and fall cases. We got a Bluffs Application. The affordable housing committee has asked us to come up with affordable housing plan.

Roll call, all in favor

10. Tax Suspense List Fiscal Year 2021-2022: Refer to Town Council

Total amount being put into the Suspense Tax Book is; \$43,309.32

The following list are the accounts going into suspense: Referral to Town Council

| | | |
|----------------------------------|-------------------------|-------------|
| 2019-02: Personal Property | Closed/unable to locate | \$32,932.91 |
| 2017-02: M/V Out of State Plates | Inactive | 1,378.81 |
| 2018-02: M/V Out of State Plates | Inactive | 1,071.93 |
| 2019-02:M/V Out of State Plates | Inactive | 1,980.35 |
| 2018-03: Motor Vehicle | Deceased | 936.72 |

| | | |
|------------------------|----------|-----------------|
| 2019-03: Motor Vehicle | Deceased | 1,941.69 |
| 2020-03: Motor Vehicle | Deceased | <u>3,066.91</u> |
| | | \$43,309.32 |

Al made a motion to discuss and Beth seconds. Al made motion to refer to Town Council, Beth Seconds.

Jim spoke regarding this item. We can't locate these people and they get placed in the suspense list. They are still collectible for 15 years, but they get put in suspense. The due diligence has been done.

As soon as the June bills go out and the July installments become delinquent, the July installments will get demand notices and the suspense notices will go to collection.

Jim stated that the Tax Collector has been doing a great job.

Roll call, all in favor

11. **Adjournment**

Rich made a motion to adjourn. Chris seconds. All in favor.

Board of Finance Clerk
Susan Mauro